Form 3160-5 (August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPRO	VED
OMB NO. 1004-	0135
Expires July 31,	2010

BOILE TO OF EACH MANAGEMENT	5 Lease Serial No
SUNDRY NOTICES AND REPORTS ON WELLS	NMNM45207  6. If Indian, Allottee or Tribe Nam

SUBMIT IN TRIPLICATE - Other instru	ctions on reverse side.	7. If Unit or CA/Agreement, Name and/or No.
1. Type of Well ☐ Gas Well ☐ Other: COAL BED METHAN	JE	8 Well Name and No. SIXTEEN GS COM 91S
2 Name of Operator Contact: DUGAN PRODUCTION CORPORATIONAL: johncalex	JOHN C ALEXANDER ander@duganproduction.com	9. API Well No 30-045-35145-00-X1
3a. Address FARMINGTON, NM 87499	3b Phone No. (include area code) Ph: 505-325-1821	10. Field and Pool, or Exploratory BASIN FRUITLAND COAL
4. Location of Well (Footage, Sec., T, R, M, or Survey Description	n)	11 County or Parish, and State
Sec 7 T24N R9W SWSE 1165FSL 1380FEL 36.32446 N Lat, 107.82612 W Lon		SAN JUAN COUNTY, NM
12. CHECK APPROPRIATE BOX(ES) To	O INDICATE NATURE OF NOTICE, I	REPORT, OR OTHER DATA

TYPE OF SUBMISSION		TYPE OF ACTION			
□ Notice of Intent  Subsequent Report □ Final Abandonment Notice	☐ Acidize ☐ Alter Casing ☐ Casing Repair ☐ Change Plans ☐ Convert to Injection	Deepen Fracture Treat New Construction Plug and Abandon Plug Back	Production (Start/Resume) Reclamation Recomplete Temporarily Abandon Water Disposal	□ Water Shut-Off □ Well Integrity ☑ Other Drilling Operations	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Drilled to 1930' TD @ 1830 hrs on 08/20/10. Ran 4-1/2" 10.5# J-55 csg & Land @ 1924', float collar @ 1894'. BJ Services cemented w/125 sx Premium Lite FM w/3% CaCl2, 1/4#/sx celloflake, 5#/sx LCM, 0.4% FL-52, 8% Bentonite & 0.4% Sodium Metasilicate, followed by 50 sx Type III cement w/1% CaCl2, 1/4#/sx celloflake, 0.2% FL-52(335 cf slurry). Circulate 10 bbls cement. Rig released 08/21/10.

**RCVD AUG 24'10** OIL CONS. DIV. DIST. 3

REPORT PRODUCTION HOLE SIZE

	<u> </u>		
14 I hereby certify	For DUGAN PRODUC	1699 verified by the BLM Well Information System TION CORPORATION, sent to the Farmington ssing by STEVE MASON on 08/23/2010 (10SXM0282SE)	
Name (Printed/T)	yped) JOHN C ALEXANDER	Title VICE-PRESIDENT	
Signature	(Electronic Submission)	Date 08/23/2010	
	THIS SPACE FO	R FEDERAL OR STATE OFFICE USE	
Approved By	CCEPTED	STEPHEN MASON TitlePETROLEUM ENGINEER	Date 08/23/20()

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office Farmington

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United

States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.